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**SECTION: BUSINESS**

## **You may be sitting on a fortune: State controller aims to reunite consumers, unclaimed property**

By Evangeline Mitchell STAFF WRITER

Having money is a good thing. Coming across money that you have forgotten is an even better thing.

Just ask Berkeley resident Barry Rosen, who recently received a \$3,200 check thanks to the efforts of California's unclaimed property program. The aim of the program, which is overseen by state Controller John Chiang's office, is to reunite consumers with unclaimed financial property.

Typically, this includes forgotten checking and savings accounts, security deposits and contents of safety deposit boxes, among other assets that are being held by the state for safekeeping after being transferred by banks and businesses across the nation. Often, the account owner forgets the account exists or leaves a forwarding address that has expired.

Rosen first learned of his good fortune when he got a letter in the mail a few months ago. It was from a private company -- known as an heir finder -- telling him he had some money coming to him.

After learning the heir finder company wanted a 10 percent fee to help him retrieve the money, Rosen took matters into his own hands. He went to California's unclaimed property program Web site, <http://scoweb.sco.ca.gov/ucp/>, typed in some information, downloaded a claim form and mailed it in.

"It was a very easy service to use," Rosen said of the Web site.

A few weeks after he sent in his claim, the check arrived in August. It's been cashed since then.

"I put it in the bank. Let's just say it will help fund a vacation," said Rosen, whose \$3,200 windfall turned out to be money from Massachusetts for income taxes he should not have paid.

Every day, people like Rosen reap the benefits of the unclaimed property program.

Unclaimed property programs were first formed across the nation in 1959 as a way to return bank accounts and other financial assets that have been overlooked by people and organizations.

Currently, the Golden State is in possession of more than \$5.3 billion in unclaimed financial property belonging to an estimated 8.7 million individuals and organizations. Typically, about 800,000 unclaimed financial properties end up going to the state annually.

Thanks to reforms sponsored by Chiang's office that were enacted into a law signed in August by Gov. Arnold Schwarzenegger, the unclaimed property program has a lot more resources to reach people.

"It's going to expand our ability to notify more Californians that we may have their property," said Hallye Jordan, a deputy controller in the controller's communications office. "There's going to be property that people may or may not know about."

Financial institutions and other businesses are required to transfer unclaimed financial properties that have been dormant for three years to the state's unclaimed property program for safekeeping. The transfer is done after the bank or business gets no response from the account owner after sending out a notification letter regarding the unclaimed property.

Before the reform legislation was passed, the controller's office could only send out a second notification letter to account owners who had a different address than what was shown on the account. That restriction meant that only about 20 percent of account owners would get a letter from the state to give them a chance to claim the property before it was transferred.

The legislation allows the controller's office to send out a second notification letter to all account owners. Not only that, but the controller's office can work with state and local agencies and use Internet resources and commercial databases to help locate owners of unclaimed financial assets.

Since the law was passed in August, the controller's office has mailed out about 77,000 notification letters to people and organizations.

"This is the first rollout. It allows us to notify property owners whose property has been sent to the state as well as those owners whose property is about to be sent to the state," said Jordan.

From July 1, 2006 through June 30, 2007, the state paid out an estimated \$336 million in claims filed by 276,512 owners of unclaimed property, according to the controller's office. That averages out to about \$1,216 per claim. Most of the claims involved forgotten bank accounts.

During that same fiscal year, some \$522 million in unclaimed property was turned over to the state by banks and companies that had previously held the assets.

Starting in 2003, there was a change in how interest is accumulated on unclaimed property accounts that have been transferred to the state. The change applies to all accounts, whether they were transferred to the state before or after 2003.

Under the change, any interest that was accumulated in the account starting in 2003 ends up going to the state's general fund and not to the account owner who files a claim. However, any interest accumulated in the unclaimed account before 2003 would be left in the account.

Chiang wants to get the current policy changed so that any interest growth that accumulates on unclaimed accounts while they are held by the state will be credited to the account owner.

"Since 2003, there has been no interest. He wants to restore that," said Jordan.

While it can be a pleasant surprise to be reunited with found money, there are steps consumers can take to make sure a bank account stays active and does not become dormant.

"Put a dollar in a checking account or savings account every birthday just to keep it going," advised Jordan. "Safety deposit boxes have an annual rental fee. Deduct it automatically from your checking account."

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breakout

Wondering whether you have a forgotten bank account or overlooked security deposit coming to you? Then check out California's unclaimed property program at <http://scoweb.sco.ca.gov/ucp/> or call the program at 1-800-992-4647

breakout

The most common types of unclaimed property are:

Bank accounts and safe deposit box contents

Stocks, mutual funds, bonds and dividends

Uncashed cashier's checks or money orders

Certificates of deposit

Matured or terminated insurance policies

Estates

Mineral interests and royalty payments, trust funds, and escrow accounts

California unclaimed property does not include real estate property.

Source: State controller's office

The famous and the fortunate to boot:

Partial list of celebrities with unclaimed property

Barry Bonds

Jose Canseco

Dwight Clark

George Clooney

Glenn Close

Clint Eastwood

Aretha Franklin

Arsenio Hall

Hulk Hogan

Anthony Hopkins

Steve Jobs

Robert Mondavi

Joe Montana

Dolly Parton

Brad Pitt

Bonnie Raitt

Jerry Rice

Charlie Sheen

Barbra Streisand